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THE CRISIS IN ENGLAND.

BY SYDNEY BROOKS.

AFTER a debate of extraordinary vigor, brilliance and interest, the House of Lords on November 30th rejected the Budget. It is true the amendment they adopted did not in set terms throw out the Bill. The exact words of Lord Lansdowne's motion were: "That this House is not justified in giving its consent to this Bill until it has been submitted to the judgment of the country." The words were skilfully chosen. They gave an engaging democratic air to what was essentially an act of revolution. They enabled the peers to pose as the solicitous seekers of a sign from the people, as anxious only to refer the whole controversy to the supreme tribunal of the electorate. "In postponing a decision on the Budget," they said, "we are not opposing the popular will; we are endeavoring to ascertain what it is. Our assent has been asked to a vast and complex variety of financial proposals which all parties, whether they approve them or disapprove, agree in regarding as at once novel and momentous. We reply that we will give our assent when, and not before, the people have pronounced in favor of Mr. Lloyd George's measure. At present they have not been consulted as to a single one of its provisions; we have no means of knowing whether it is their wish that this Bill should become law or not; and we decline to assume the responsibility of legalizing so far-reaching and unprecedented an experiment until the judgment of the country has been definitely formulated. In taking that stand we are exercising our undisputed right to interpose a period for reflection before a legislative proposal becomes a legislative fact. If the mature opinion of the nation endorses the Budget we shall bow to its decision. But we do not consider ourselves justified, in a matter of such vital consequence, in taking it for granted with-

out further inquiry that the country sanctions so extreme a departure from the established methods of raising revenue." Few peers, it is true, had the hardihood to develop a line of argument so transparently specious as all this. But their supporters in the press and their apologists on the platform are working it for all it is worth. That is to say, they are endeavoring to persuade the country that it is not so much their hatred of the Budget as the sensitiveness of their democratic consciences that induced the Lords to force an appeal to the nation.

One may safely dismiss such pleas as part of the general cant of electioneering. The Lords adopted the Lansdowne amendment because they hoped that in the confusion of a General Election, fought out on various issues and powerfully affected by multitudinous currents of feeling and opinion, the Liberals would either be defeated or their majority so signally reduced that the Budget would never again be heard of. Their objections to the Budget are perhaps already known to my readers, but, to bring the main aspects of this gigantic issue into focus, they must be briefly restated. The Lords, then, took first of all the ground that their legal right to reject a Finance Bill had never been either annulled or abandoned and that it remained a weapon in reserve to be used in the event of an exceptional emergency. The fact that it had never hitherto been employed—or never since the custom of embodying all the financial proposals for the year in a single Bill had become a settled practice—was merely a proof of the moderation with which successive Chancellors of the Exchequer had framed their Budgets. The Lords had objected to many previous Budgets, but they had passed them all; time and again they had subordinated their personal convictions and interests to their sense of what was demanded by the usages of the Constitution; and if they now felt unable to accept the Finance Bill of 1909 it was a *prima facie* reason for thinking that not they, but the provisions of the Bill itself were to blame. In referring it to the people they were taking admittedly an unprecedented step. But it was to meet an unprecedented situation. Mr. Lloyd George's Budget violated all the canons that Chancellors of the Exchequer had hitherto observed. It was, for one thing, more than a scheme for meeting the financial needs of the current year. Its friends hailed it as the forerunner of a vast social and economic revolution. Many

of the taxes it sought to impose, and particularly the taxes on land, would by the Government's own admission cost more to collect than they would yield in revenue for many years to come. Many of the clauses it contained, such as those that set up the machinery for a valuation of all the land in the kingdom, dealt with projects that had no proper place in a professedly financial measure. Many of the arguments by which the whole scheme was defended, and indeed the cumulative effect of its provisions, not only paved the way for the nationalization of the land, but pointed clearly to Collectivism as the goal to which England was drifting. For the first time in British history the Budget singled out a special form of property for invidious attack. It was an attempt to popularize a policy of spoliation by setting the poor against the rich. It not only assailed capital, drove investors abroad, diminished employment at home and made every property-owner tremble in his shoes, but it also deliberately infringed the prerogatives of the House of Lords. The Lords had rejected in 1907 and 1908 a Valuation Bill and a Licensing Bill. They now found the worst features of both measures incorporated in the Budget. The Budget, in short, was being made "the vehicle for legislation which had already been rejected by the House of Lords with the tacit assent of the country." Counting upon the unwillingness of the peers to provoke the Constitutional crisis and the financial deadlock which the refusal to vote the supplies for the year would entail, the Government, for purposes not of revenue, but of political revenge, had inserted in the Budget measures which they knew they could not otherwise pass into law. If such a practice were to go unchallenged there would be nothing, however revolutionary, that the majority in the House of Commons could not attempt and successfully achieve under the guise of a Finance Bill. The purpose, or, at any rate, the effect, of Mr. Lloyd George's Budget was, in short, to extinguish the House of Lords.

Such were the arguments put forward by the authors of the *coup d'état*. Not all the peers, even in Lord Lansdowne's own party, could be induced to subscribe to them. Men like Lords Rosebery, Cromer, Balfour of Burleigh, Lytton, and James of Hereford, while anathematizing the Budget, refused to be parties to the Constitutional upheaval implied by its rejection; a score or so of others who were present in the House abstained from

voting; and the 350 members who followed Lord Lansdowne into the lobbies fell by considerably over 100 below the full Unionist strength. A great many peers doubtless believed that the country wished them to throw out the Budget and would support them in doing so; a great many more felt, and sincerely felt, that hating the Budget as they did and convinced as they were that it was a menace to the national welfare, they could not, their consciences would not allow them to, pass it into law; but, taking the Unionist peers as a whole, I think it moderately safe to say that what chiefly determined their action was, first, the taxes on land, secondly, the licensing duties, and, thirdly, the pressure of the Tariff Reformers who saw their panacea indefinitely postponed if the Budget were permitted to pass. The Liberals had not much difficulty in riddling the thin and ridiculous pretence that Lord Lansdowne, as one of his admirers called him, was "the John Hampden of the twentieth century," standing between the people and the tyranny of the House of Commons, and that his amendment was born of a desire not to kill the Budget, but to consult the country. Nor were they less successful in meeting many of the objections to the Budget as a mere measure of finance. Was a Chancellor of the Exchequer, they asked, in a time of enormous and growing expenditure, to be debarred from opening up fresh sources of revenue merely because their productivity took a little while to develop? Was it Socialism or Collectivism or any other "ism" for the State to claim a share of the wealth created by the State? Was it an instance of tacking legislative proposals on to a bill of finance to provide for the valuation of land when land values were to be taxed? Just because the Lords had rejected a Licensing Bill, were the holders of licenses to be exempt for all time from increased taxation? The money had to be raised somehow. Which was the better way of raising it, by taxing land and liquor and tobacco and by adding to the death duties, or by taxing food, by taxing the men of wealth and the luxuries of all classes, or by taxing the poor and the necessities of life? But I need not labor these and similar points. They have already become almost obsolete. They have been swallowed up in the tremendous Constitutional issue; and here the Liberals, no longer on the defensive, are able to carry the war into the heart of the enemy's camp.

The legal right of the House of Lords to reject any and every measure submitted to them has never been questioned. In the same way the legal right of the Crown to refuse its assent to any and every Bill passed by both Houses of Parliament is indisputable. But every one knows that for the Crown to exercise its legal rights in this respect would be considered to-day a gross outrage on the Constitution. The British system would, in fact, be utterly unworkable if every authority in the State were to make use of the privileges and authority belonging to it by the strict letter of the law. The British system is not founded on the nicely calculated less or more of legal precisions. It is founded on precedents, usages, conventions, traditions, mutual understandings, forbearances and accommodations, tacit compromises, silent surrenders. Many things, therefore, that are clearly legal are not less clearly unconstitutional; and the refusal of the House of Lords to vote the supplies of the year is unquestionably one of them. No point has been more often threshed out in the past four hundred years than this, and no point hitherto has come to be more generally accepted as the very basis of British Constitutional liberties than that in all matters of finance the House of Commons is and must be supreme. Its supremacy is attested not merely by the fixed practice of centuries and by the whole spirit and tendency of British Constitutional development, but by the forms and facts of modern procedure. When the King asks for the supplies of the year it is to the "Gentlemen of the House of Commons," and not to the Lords that he addresses himself. The very wording of the preamble in Finance Bills bears witness to the exclusive control of the Commons in all matters of taxation. And quite apart from the *uninterrupted* acquiescence of leaders of both parties in this doctrine, there is this insuperable fact that resolutions of the House of Commons imposing taxes have always hitherto been held to possess the force of law. A Chancellor introduces a Finance Bill announcing, let us say, increased duties on sugar, tea and tobacco. "Resolutions" are at once, on the same day, passed by the House of Commons authorizing the collection of the new duties. These "resolutions" are telegraphed to the customs-house officers and on the following morning sugar, tea and tobacco pay duties on the new schedule. Understand that the House of Lords has nothing whatever to do with this operation; understand that the

Finance Bill to which the "resolutions" give immediate effect may not become law until several weeks or several months later; understand, further, that the validity of the "resolutions" has never yet been challenged, but has, on the contrary, been universally accepted—ponder the significance of all this and you will see that there could not well be a more striking proof of the financial absolutism of the House of Commons.

But the argument from practice, convenience, tradition and prescription, while overwhelmingly strong, is still not so strong as the argument from necessity. The unfettered control of finance by the House of Commons is vital to the working of the British Constitution, and the destruction of that control means the destruction of the Constitution, means absolute chaos, means the reconstruction of the whole system of government from the foundations upward. This will become clear if we examine the consequences that must inevitably follow if the claim of the House of Lords to reject Budgets is upheld by the people at the polls. Such a claim implies, in the first place, that the Lords possess the power of forcing a penal dissolution by refusing supplies. No Ministry can maintain itself without the money to carry on the King's Government. If the money is withheld, it must necessarily dissolve Parliament and appeal to the country. By rejecting the financial provisions of the year the Lords thus compel a dissolution, and a dissolution hitherto has been the sole prerogative of the Crown, a prerogative exercised, of course, on the advice of the Ministers of the day. Secondly, and as a necessary consequence, the power of the Lords to force a dissolution destroys the principle that a Government holds office subject to the support of a majority in the elective House. It, therefore, makes the Septennial Act null and void for any Government which does not also command a majority in the House of Lords. It gives to an indissoluble, non-elective and hereditary Chamber the last and supreme word over the representative Chamber. And as the House of Lords is seven-eighths Conservative, this means in practice that the party system would be uprooted, that the Liberals would hold office at the annual mercy of the Upper Chamber, and that the Conservatives would enjoy the full benefits of the Septennial Act without molestation. The Conservatives naturally and by instinct, and the Liberals by necessity, would thus be compelled to frame only such financial measures as they

could be sure would meet with the approval of the hereditary House. The House of Commons, in short, would be placed in a position of permanent subordination to the House of Lords. In the third place, the seizure by the Lords of the power of the purse would throw out of gear the whole financial machinery of the State. The resolutions of the House of Commons on which hitherto taxes have been collected would at once lose their validity. The voting and discussion of the Estimates would be deprived of their reality and significance because nobody would know whether the money would be found or whether the Government would be in office after a few weeks. It would follow from this that the Government's financial proposals would have to be introduced in both Houses simultaneously. And as the Government—if it were a Liberal Government—could be practically sure that its proposals would be accepted by the House of Commons, but would have no guarantee as to what reception they would meet with in the House of Lords, the next step would be to bring in the Budget in the House of Lords alone and before it was presented to the Lower Chamber—in other words, to make the House of Lords the supreme taxing power in the State. It is safe to say that no nation in its senses would tolerate a system under which a hereditary Chamber that could never be called to account would be able to dominate the elected House, to paralyze the Executive without any responsibility for replacing it, to order a dissolution whenever it pleased, to destroy the simplicity and continuity of the methods of collecting revenue, to insist that any Budget that displeased it should be made the subject of a plebiscite, and to arrogate to itself the decisive voice in the settlement of the national finances. The fight that is being waged in Great Britain is a fight for some of the elementary essentials of self-government.

How is it that the Lords have allowed themselves to precipitate a contest fraught, as in the end it must be, with such painful consequences to the privileges of their House? Apart from their objections to Mr. Lloyd George's Budget there are, I think, three main reasons to account for their action. The first is that the Unionist party as a whole has become so infected with the virus of Tariff Reform, is so bent on carrying out its new policy at any cost, that it has parted with almost everything that made the strength of the old Conservatism and is now, like the Republicans

in the United States, a party that, aside from the Tariff, has no principles or scruples, is hopelessly steeped in opportunism, and will do and say anything, espouse any cause and, if need be, smash the Constitution, on the off chance of moving an inch nearer to its goal. It has lost the sense of proportion and prevision, of seeing and estimating clearly; and it has plunged into this struggle with the democracy as light-heartedly and recklessly and with as little foreknowledge of the issues it has provoked, of the obstacles to be encountered or of the consequences that must ensue as ten years ago it plunged into the war with the Boers. The second reason that accounts for the madness of the Lords is that they lack leadership. Lord Lansdowne is amiable and accomplished, but he has hardly a shred of the influence and authority over his brother peers that belonged, for example, to the late Lord Salisbury. Moreover, he is a Whig by early upbringing; he was a member of more than one Gladstone Cabinet; and the Tories in the Upper House, while accepting his leadership, have never quite accepted him as one of themselves. Had Lord Lansdowne been a second Salisbury the House of Lords would never have rejected the Budget. It is not less safe to assert—and this brings me to the third reason—that had Queen Victoria been on the throne the Budget would have become law. She would have intensely disliked its provisions and its tendencies, she would have sympathized with every one of the Unionists' objections to it, but she would never have permitted them to incur the enormous risks involved in rejecting it. King Edward did what he could to bring the peers to reason, but while eminently successful in diplomacy abroad he proved unable to ride the whirlwind at home. That was partly because ever since he came to the throne his social preferences have somewhat alienated the aristocracy and partly because his Liberal sympathies have equally alienated the Unionists. It is almost a law of nature that the Heir Apparent should be of opposite political opinions to the reigning Sovereign. Queen Victoria was a Tory of the Tories; King Edward both as King and as Prince of Wales has always been a man of modern views and inclined to Liberalism, and his son, the present Prince of Wales, reverts accordingly to his grandmother's creed. His Majesty's reputation for Liberalism and the coolness that exists between his "set" and the rest of the nobility placed him at a considerable

disadvantage in dealing with the crisis. The influence of the Crown availed nothing against the stubbornness of a handful of *intransigents*, spurred on by their zeal for Tariff Reform and by the powerful support they received from the Unionist Press. In an emergency that concerned the Crown only less gravely than it concerned the House of Commons it has to be recorded that King Edward VII failed to make himself felt as moderator and counsellor with the weight and effectiveness that Queen Victoria would undoubtedly have commanded.

What will be the upshot of it all? The Prime Minister on December 2nd introduced into the House of Commons a resolution reaffirming in the strongest and clearest terms the financial supremacy of the Lower Chamber. That resolution strikes the key-note of the campaign. The Liberals can hardly expect to return from the polls with an undiminished majority. If they come back even with a majority independent of the Irish Nationalist vote, it will be a very considerable achievement. I know England too well to prophesy with any definiteness the result of a General Election, but I shall be very greatly surprised if, in spite of the many formidable interests they have antagonized, the Liberals do not return to power with a clear mandate to bridle the financial pretensions of the House of Lords. One Liberal Minister after another has declared that his party will not again take office without a clear guarantee that what occurred on November 30th shall never be permitted to occur again. There is only one guarantee that will meet the situation: and that is a promise by the King that he will be prepared to create a sufficient number of peers to carry through the House of Lords a Bill definitely depriving the Upper Chamber of the right to reject the financial proposals of the Commons. Sooner than be swamped by 500 new men the House of Lords would agree to anything. But the expedient is a desperate one, so desperate as to be in itself sufficient proof that Great Britain is passing through a peaceable but profound revolution and is entering on the prodigious and fateful task of rebuilding almost from top to bottom her Constitutional framework.

SYDNEY BROOKS.